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NEW URANIUM PROVINCE CONFIRMED ON SOUTH AUSTRALIA'S EYRE PENINSULA

A new uranium province – the Pirie Basin - has been confirmed in South Australia following the identification of a potential ore grade mineralisation in a redox front corridor fronting the northeastern coast of Eyre Peninsula.

Addressing the *Paydirt 2009 Uranium Conference* in Adelaide, UraniumSA Limited Managing Director, Mr Russel Bluck, said ongoing drilling of its Mullaquana project, 20 kilometres southwest of Whyalla, has provided sufficient drillhole data to confirm the uranium prospectivity of the Basin.

The Pirie Basin stretches for more than 100 kilometres between Whyalla in the north and Cowell in the south but has not, until now, been confirmed as a specific uranium prospective province.

Prevailing industry standards are that a grade x thickness product intersection above 0.05 m% uranium oxide is a potential ore grade. Intersections above this critical level have been returned from two new zones of mineralisation within Mullaquana.

In Mullaquana's western mineralised zone, drillhole MRM-062 reported a cumulative intercept of 4.10 metres with a grade x thickness of 0.098 m% eU3O8.

In the project's eastern zone, drill hole MRM-021 returned a cumulative intercept of 3.00 metres for a grade x thickness of 0.054 m% eU3O8.

“The results are of a calibre sufficient to establish the Pirie Basin and its Kanaka Beds as a new uranium district in South Australia,” Mr Bluck said.

“Our drilling over 2008 and 2009 has evolved a clear picture of the mineralisation and it is clear that the Pirie Basin and the Kanaka Beds have similar size and prospectivity to the areas of South Australia's Curnamona Basin which host the established uranium producer at Beverley, and the prospective mines at 4 Mile and at Honeymoon and Oban.

“The district has the right Miocene and Eocene age, permissive sand and lignite lithologies to contain economic uranium mineralisation and we have now demonstrated that they do contain uranium mineralisation of up to 785 parts per million U₃O₈ equivalent,” Mr Bluck said.

“Exploration of the Pirie Basin for sediment-hosted uranium is at a similar stage to that of the Curnamona Province following the initial discovery of the Beverley prospect in 1969,” Mr Bluck said.

“Our western mineralised zone within the Mullaquana prospect remains open to the south, west and north, so we have a high level of confidence about the resource potential of our new discovery.”

The Mullaquana project is close to major rail and export port infrastructure and there are numerous uranium prospective indicators within 12 kilometres of the two main zones, “providing high potential for repetitive zones”, Mr Bluck said.

UraniumSA now plans to drill the northern and southern extensions of the zones to further enhance the project’s resource profile.

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